

20 August 1951

CONTRIBUTION TO STAFF PLANNING PROJECT NO. 26.

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SUBJECT: Yugoslavia as a Danger Spot.

Clearly economic and military aid to Yugoslavia, continuing well beyond mid-1953, is advisable for "keeping Tito afloat."

1. Economic position. With the substantial assistance from Western Europe and from the U. S. now contemplated, the Yugoslav economy, and accordingly the Tito government, will be strengthened. In two more years there should be but slight danger that the government will be imperiled by internal economic conditions.

2. Military position. With the military aid program progressing, there is no doubt that Tito's army will grow in fighting ability. Yet it cannot maintain its current strength relative to the adjacent Satellite armed forces. Satellite forces are strengthening more rapidly than Tito's - a trend which is expected to continue. In the event of invasion, the industrial centers of Yugoslavia, on which the army currently depends for supplies, are located for the most part in the lowland areas that could be overrun soon after hostilities had commenced. The better agricultural lands are also in the lowland areas and food would, at the outset, become a critical problem. The best we can hope for is that by guerilla-type warfare the Yugoslav forces will be able to defend the mountainous regions. The defense of this area would depend on Western aid on a scale large enough to neutralize the effect of Soviet logistical support to the Sateillites.